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October 1, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H. *Jonathan E. Fielding*
Director and Health Officer

SUBJECT: **UPDATE ON FUNDING FOR HEALTH CARE PROGRAM FOR CHILDREN IN FOSTER CARE**

On February 2, 2012, I informed you that the State Department of Health Care Services (DHCS) reduced its allocation of State funds for the Department of Public Health's (DPH) Health Care Program for Children in Foster Care (HCPCFC) from \$2.23 million for fiscal year (FY) 2010-11 to \$1.92 million for FY 2011-12, a reduction of \$310,000. Because the funds allocated by the State are matched to Federal Medicaid funds on a 25 percent to 75 percent basis, the \$310,000 reduction resulted in an overall \$1.22 million loss in HCPCFC funding.

The basis for the reduced allocation was lower child welfare caseload projections made by the California Department of Social Services (CDSS). The County questioned CDSS' caseload projections as it had not experienced as great of a decline in cases as forecasted by CDSS. Working with DHCS, the California State Association of Counties (CSAC) and the County Health Executives Association of Counties (CHEAC), we asked CDSS to review its allocation methodology before allocating FY 2012-13 funds. Following the CDSS review of its allocation methodology, caseload projections for FY 2012-13 were revised upward. As a result, DPH's allocation of State funds for FY 2012-13 is \$990,000 higher than those allocated for FY 2011-12. Taking into account the 25 percent to 75 percent match in federal Medicaid funds, the \$990,000 reflects an additional \$3.79 million in funding for the HCPCFC in FY 2012-13.

DPH will use the additional funds to restore HCPCFC staffing back to FY 2010-11 levels. In addition, the DPH will re-evaluate the HCPCFC program to determine how the additional resources can best be used to ensure that all children and youth in out-of-home placement receive comprehensive and timely preventative and medically necessary care.

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The February 2012 memo also referenced the State-County program realignment enacted in 2011 which could impact the future administration of the HCPCFC program. At this point, DHCS will continue to administer the HCPCFC program at the State level through an interagency agreement between CDSS and DHCS, until federal approval has been received for local social services departments to draw down the 75% federal Medicaid match. It is anticipated that in the FY following federal approval, the HCPCFC will devolve to the County social service departments, with the option to contract with local public health departments. DPH does not anticipate that the State will receive federal approval for the enhanced match before FY 2013-14. DPH will continue to monitor the State's progress towards receiving the federal approval needed for the County social service departments to receive the 75% Medicaid match.

If you have any questions or would like additional information, please let me know.

JEF:bm

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors